



METROPOLITAN
TRANSPORTATION
COMMISSION

Parking Reform and Community Outreach: Talking Points in Response to Common Questions and Concerns

The following are questions asked frequently by various audiences, including local residents, local retailers/businesses, local employers, and local developers. Brief answers to help you address their concerns are provided.

Questions from Local Residents:

- **Why not just build more parking garages in our commercial area so that visitors don't park in my adjacent neighborhood?**
 - Parking structures are extremely expensive: Construction costs \$30,000 per space in an above-ground garage, and up to \$60,000 per space in a below-ground structure. The parking fees that drivers are willing to pay will not cover this cost in many situations, so a public subsidy is required. Is this how you want to spend limited public money?
 - Revenues from priced, on-street parking can fund improvements that directly benefit neighborhood residents.
 - Unlike parking structures, which experience long financing and construction delays, new parking policies that free up spaces for more use throughout the day and reduce spillover into residential areas can be implemented relatively quickly and cheaply.
 - Garages are often unsightly and typically do not feel safe. They are a "one size fits all" solution that rarely account for local conditions, and may detract from the quality of surrounding neighborhoods. If a garage is highly used it will focus car traffic, if not well used it can be a security concern.
 - Parking policies and pricing in commercial areas are more flexible, and as such can be coordinated with programs that increase the supply of parking for surrounding residents. They can also be monitored and adjusted to ensure desired neighborhood goals are met.
 - When parking is priced, people are more likely to park once and walk around, and local neighbors are more likely to walk to close by cafes, restaurants and other businesses. Most people feel more comfortable with more people walking around to local businesses.

- **Doesn't parking pricing benefit wealthier drivers and create more transportation challenges for lower-income groups?**
 - No—parking pricing and progressive parking reforms actually promote social equitability. Standard “free parking” policies such as minimum off-street parking requirements ultimately favor development of larger homes in suburban areas.
 - “Free parking” policies are, in essence, hidden subsidies for auto use. They tend to favor higher income households, which own more cars, drive more & commute more frequently. These subsidies—often hidden in housing or retail costs or employee benefits—tend to cost lower income households more on average than they receive.
 - For example, if a low income household with only one car can reduce their costs by only paying for one parking space, instead of automatically paying for two (hidden in the cost of their rent), they can save those funds for other uses. These costs can be exposed, and we can allow more choice through parking policies.

Questions from Local Retailers/Businesses

- **Won't I lose business if parking rates in the surrounding area are increased?**
 - Not necessarily. Parking prices need to take into account the usage level (occupancy) for parking by time of week and day – 85% occupancy is generally considered good for both high usage and allowing customers to be able to park close by. Pricing policies and strategies such as parking districts can be designed so that some of the new parking revenues are directed to the local business community.
 - For example, parking revenues can be used to fund physical improvements to streets and sidewalks, which improve the quality, walkability and desirability of a given shopping area and, ultimately, boost local business. Revenues can also be used to support business organizations and events that strengthen the local retail performance.
 - Parking charges discourage local employees from taking up the prime spots for your shoppers—like right in front of your store. Policies can be developed for more appropriate parking areas for employees that reserve these prime spots for your customers.
 - Higher parking prices also encourage parking turnover and thus increase the number of potential shoppers. Drivers will park, eat or buy something, and leave when they are done. This allows other drivers to use the spaces and, in turn, buy more themselves. This higher turnover can result in substantially higher sales.
 - Parking pricing encourages transit, bicycle and pedestrian visits to the impacted retail area. These behaviors improve the vitality of the local shopping area and are associated with longer and increased visits to individual stores. The result is increased retail revenues overall.

Questions from local employers:

- **Will my employees really forgo free parking for other options?**
 - Free parking is a benefit “by choice” just like any employee benefit. If you provide free parking to employees, some may not take advantage of it. You may be surprised how many employees would make a different benefit choice if you asked them.
 - Additionally, many employees have irregular/non-standard schedules and do not need parking every day. A reduction in the free parking supply reserved by one company would encourage better use and sharing of the existing supply.
 - Providing free parking to employees may not be your best use of limited company funds since some employees prefer cash in-lieu of a “free” parking space. Those “free” parking spaces cost your business money. If you provide employee cash comparable to what you would spend on parking for them (called “parking cash-out”), they can choose to pay for parking or a transit pass, or they can walk, bike or get a ride and use the money for their other needs, like the rent or college expenses.
 - This “benefit” trade off would work best from a business perspective if you have an alternate use for your parking supply (i.e., share or sell to public or customers).

- **Can we actually benefit from not providing free parking to all of our employees?**
 - Yes you can. First, if you are leasing parking for your employees, you can save money by leasing only the essential spaces. Providing a cash-out benefit is less costly. It is not uncommon to find a 25% reduction in parking utilization if employees are given other transportation choices like discounted transit passes, priority parking for carpools and bicycle parking. For example, Genentech gives cash to employees who do not park at work – and have found this much more cost effective than building more parking. The shift toward alternative transportation modes is even higher in more urban and transit rich locations. Secondly, if you own the parking, you can free it up for paying customers, for a net gain in revenue, or in the longer term, potentially free up land that you could develop or sell for development. A small amount of parking supply can be reserved for employees as a benefit for those that have special needs, odd hours or those that carpool/vanpool.
 - If you give employees a choice, they may choose to use their money elsewhere and not drive to work, which will mean less competition for limited parking resources, and is a good start in determining if you can get a better return on your land.

Questions from local Developers:

- **Won't reducing parking requirements for downtown development simply discourage new physical development and reduce attractiveness to potential businesses?**
 - On the contrary, relaxed parking requirements tend to facilitate development in popular downtown areas that are attractive to many businesses. Traditional parking requirements establish a **minimum** of required spaces, which increase development costs. These increased costs may be so significant that they reduce the level of development, especially for infill in vibrant, economic “hot spots” such as downtown districts.
 - To be clear, reduced parking requirements **allow developers more choice** in how much parking to include for a particular development. Many infill developers find that in order to make a project pencil out, they need either lower parking ratios or higher building heights, or both, given the high land values. Some of these savings from reduced parking costs can be put toward transit passes, carshare, and other non-parking amenities. This flexibility helps infill development work with its strengths, and compete with greenfield development's cheaper land values.
 - Reduced parking requirements can also lead to better urban form, livability, and public spaces. All of these qualities are important to many potential tenants.
 - Reduced parking requirements will significantly lower construction costs, as the cost of providing structured parking spaces ranges from \$30,000 to \$60,000 per space for underground spaces, and even one surface parking space parking is about \$5,000—in addition to ongoing maintenance.

- **Aren't the reduced parking requirements associated with TODs a turn-off to potential buyers/residents?**
 - No—Several recent studies, such as by the Urban Land Institute and MTC, have found that compact, infill-based developments attract market segments that highly desire walking access to amenities, utilize transit, own few cars, and value the health and environmental benefits of walking and biking. As such, TODs with well-crafted, reduced parking requirements can attract significant segments of potential renters and buyers.
 - In addition, excess parking boosts the overall cost of housing. Oversupplying parking in TODs drives up housing costs (since parking is accounted for in the calculation of rent payments) and/or lowers return on investment. Residents end up paying these costs through higher rents or mortgages, unless the costs are separated out.
 - Excess parking uses valuable land for which there are better uses that are more attractive to potential residents, such as cafes, gardens, lounges, and art installations.
 - Other amenities that may be more attractive than extra parking for people who want to live in TODs include transit passes, carshare, secure bicycle parking, and high quality walking connections to local destinations – see MTC's report “Choosing Where to Live” for more information about key interests and how to improve the attractiveness of TODs.